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3-WAY ONSLAUGHTS BY JAPANESE UNITS HIT HENGYANG BASE

Enemy Trapped as Final, Furious Attacks Launched—Foes Set Fire to Town

Domei

CANTON, July 2.—The Chungking military authorities admitted in an official communique that the Japanese have penetrated within the Hengyang town defense lines at a number of points, according to information received here today. The Chungking communique said: "A death struggle is continuing outside the walled town of Hengyang. The Japanese have obtained powerful reinforcements and are hurling huge shells at the military establishments in the town. Japanese infantry units have begun a decisive attack from the north, west and south of the town and the attack is steadily increasing in fury. Their raiding parties have penetrated within our defense lines and have inflicted severe damage. The Japanese attack is growing more terrific every minute, their object apparently being to take Hengyang at a blow."

Domei

ON THE HUNAN FRONT, July 1.—The Japanese Army Units surrounding Hengyang, on June 29, launched a final, fierce attack from three directions on the enemy's reserve 10th Division and the provisionally-organized 54th Division which had been desperately resisting from within the city walls.

Their retreat cut off by the simultaneously storming Japanese closing in from the northwest, north and northeast, the Chungking garrison troops are making a frantic last stand like trapped rats. Shells from the field and mountain guns and trench-mortars emplaced within the city walls are bursting in incessant showers in and about the Japanese positions. The exchange of fire is growing more and more furious with time. Especially, the enemy fire from the innumerable pill-boxes built around the lakes on the southern side of the town is extremely fierce. The Japanese are making dauntless bayonet charge after charge against these pill-boxes.

The roar of gunfire could be heard yesterday in undiminished tempo and volume. Part of the enemy force, unable to withstand the terrific onslaught of the Japanese, set fire to more than a dozen places in the town and the dense smoke from those fires darkened the skies overhead. A whole section of the town was reduced to smoldering ruins. The Canton-Hankow railway bridge over the Siang River flowing through a suburb of Hengyang had been blown up by the enemy with the result that freight cars loaded with drum cans came to a standstill on the northern side of the bridge.

Greatest Victory Since Wuhan

By occupying the Hengyang airdrome, the most important advanced air base of the United States air force in China, and laying siege to the walled town of Hengyang, the Japanese Expeditionary Army in China is about to gain the greatest victory since the reduction of the Wuhan area.

The present campaign extending 2,000 kilometers over North and Central China is featured by the fact that it is directed mainly against the American military strength in Chungking-China. The capture of the Hengyang airfield has a significance far beyond the bare fact of having wrested an airdrome away from the enemy. The following points are adduced to show the far-reaching importance of the Japanese occupation of Hengyang:

(1) So long as the Americans possessed the Hengyang airdrome as a central base from which to operate, sending fighters to the various airdromes lying around it and conducting attacks from there, meanwhile sending bombers to the foremost lines to await opportunities for raiding Japan, the Japanese were compelled to counter-attack in a force of one against the enemy's two. In order to avoid waste of strength, Japanese Air Units had to shift from the Wuhan area to Kwangtung, or to French Indo-China in their endeavors to intercept the enemy air forces. The moment that the Japanese capture Hengyang, however, this situation will be reversed. Thus, a Japanese Air Force firmly established at Hengyang will now confront the enemy bases along the Canton-Hankow railway at the shortest possible distances, which will make the enemy forfeit his major advantage of operating on interior lines.

Enemy Moves Main Base

(2) Major-General Claire Chennault, Commander of the United States Army Air Force in China, who hurriedly inspected the air bases in the eastern region early in June saw the weakness of the Chungking defense and the strength of the Japanese and quickly realized the doom of Hengyang. Accordingly, he decided to shift the main air base for the offensive on Japan to the Northwest, abandoning his original plan of using the eastern China route for the same purpose. This will push back his advanced bases into the hinterland, so that the distance to northern Kyushu has lengthened by some 600-1,000 kilometers compared with such bases as Kienow and Suichwan. This will limit the type of bombers to be used to B-29's, while the bombload will be severely curtailed. The long distance to be covered will increase the danger of attack by Japanese fighters on the way.

(3) The advance of Japanese Air Units with Hengyang as the base will increase the menace to the enemy bases in the hinterland. From Hengyang the distance to Lingling is only 120 kilometers and to Kweilin, only 300 kilometers and so on. Especially, when Hengyang has been completely established as a Japanese air base, the eastern part of Kweichow Province which had so far escaped Japanese air attacks will be brought within their easy bombing distance. Kweiyang, the chief enemy base upon retreat from the Canton-Hankow railway, will be included within this range.

Chiang Army Forces Trapped at Hengyang Quit Outer Defenses

Domei

LISBON, June 30.—According to a Chungking message, the Chungking military authorities announced as follows today: "The Hengyang garrison, having been tightly encircled, has withdrawn to its position within the walled town, abandoning its positions in the outer sectors under pressure of the Japanese Army." A Reuter correspondent at Chungking reports as follows concerning the battle of Hengyang: "According to this morning's message from the front line, the Hengyang garrison is now fighting from within the walled town."

U.S. NAVY CASUALTY LIST SHOWS 47,334 MEN LOST

Eight Fleets Now Participating In Current World War, Admiral King Reveals

Domei

LISBON, July 1.—The U.S. Navy Department, today, issued the following casualty list as covering all losses in men since the beginning of the war, according to a Washington dispatch.

Killed	20,139
Wounded	13,422
Missing	9,312
Captured	4,461
Total	47,334

Domei

LISBON, July 1.—The following changes in the American navy forces in the Pacific and Atlantic theaters of war were announced by Chief of Naval Operations Admiral Ernest J. King, according to a Washington dispatch.

Eight fleets are now participating in the current operations, each uniting in itself the various task forces which have separately been in action.

In the Pacific area:

Pacific Third Fleet (Central Pacific) commanded by Vice-Admiral William Halsey;

Pacific Fifth Fleet (Central Pacific) commanded by Admiral Raymond Spruance;

Southwestern Pacific Seventh Fleet commanded by Vice-Admiral Thomas Kincaid;

Pacific Ninth Fleet (Aleutian waters) commanded by Vice-Admiral Frank Fletcher.

In the Atlantic area:

Atlantic Fourth European Fleet commanded by Vice-Admiral Jonas Ingram;

South Atlantic Eighth Fleet commanded by Vice-Admiral Henry Haywood;

Mediterranean Twelfth Fleet commanded by Admiral Harold Stark; and

European Tenth Fleet (Anti-Submarine) commanded by Admiral Ernest King (concurrent post).

BRITISH TANK DRIVE NEAR TILLY CRUSHED BY GERMAN FORCES

Rommel's Troops Start General Counter-Offensive in Fontenay Sector

Domei

BERLIN, July 1.—The British in a tank battle at Tilly attempted to intercept the continuous German counter-attacks by bringing up fresh formations so that in the evening hours the spearheads of both fighting armies crashed in a fierce combat.

The British lost 37 heavy tanks in this operation and their thrust was frustrated. Renewed enemy attempts to break up German barrage positions southwest of Caen were foiled, the British suffering enormous casualties.

Enemy Sea Losses Huge

The number of enemy ships sunk by the Luftwaffe, navy and coastal batteries during the month of June has now been made known. Of the enemy invasion fleet 51 freighters and transports, totalling 312,600 gross register tons were sunk while 26 other merchant ships, totalling 328,000 tons as well as numerous smaller vessels were so severely damaged that loss of several of them must be reckoned with. Other losses were two heavy cruisers, three light cruisers, 22 destroyers, 15 motorboats, one submarine, three landing barges and one patrol vessel sunk. Twenty-one cruisers, 22 destroyers, 26 special landing ships and twelve motor-torpedo boats were severely damaged.

Germans Begin Offensive

Domei

ZURICH, July 1.—The battle at Cherbourg and at the northern end of the Cotentin Peninsula having practically ended, the Caen area has become the principal scene of the fighting in Normandy.

Severe battles have been going on between Caen and Villers-Vocage for the past 10 days between British tank corps and a German mechanized unit.

Since July [illegible], the German forces started a major counter-offensive against the British forces which with the support of their ships guns and aircraft had succeeded in advancing several kilometers in the area extending from Evreuchy and Fontenay. A powerful tank unit under the command of Field-Marshal Erwin Rommel is now bringing heavy pressure to bear on the British forces from the North, East and South, compelling them to take the defensive.

No major changes have taken place so far in the situation on the banks of the Odon River. A Reuter's message from London, however, says that the German Army is gathering a mechanized force of seven divisions in the Caen sector and the counter-offensive of the Germans is being stiffened. The same message expresses the possibility that this mechanized force may be under the direct command of Field-Marshal Rommel.

Meantime, a newly organized unit of the American army is apparently preparing itself for a major offensive on the line connecting St. Lo and Lessay. The battle of Normandy has been transformed into a major military operation prior to the planned invasion of the anti-Axis nations into the interior of the Continent.

OVER 13 ENEMIES DOWNED

Domei

BERLIN, July 1.—A strong American bomber formation entering Croatia and Hungary as well as southeastern Reich territory on the forenoon of June 30 was attacked by German and Hungarian air formations. In view of the unfavorable weather conditions the enemy was unable to carry out concentrated attacks but dropped his bombs on scattered targets in Germany, Hungary and Croatia without causing any damage worth mentioning.

German fighters engaged the enemy formation which was escorted by numerous long-range fighters in fierce aerial combats and shot down at least 13 enemy machines despite the adverse weather. This number will probably be increased since the flak formations also took part in the defense and their reports have not yet come in.

B-29 Bomber in Flames

Smashed in a furious bomb attack by Imperial Japanese Army planes, one of the vaunted super-aircraft of the U.S. air force in China goes up in smoke at Neihsiang airfield in Honan Province.
(Passed by the War Ministry)

DOUBT EXPRESSED OVER FOURTH TERM

Defeat of Smith Who Was Considered Certain to Be Elected in 1928 Recalled

Special to the Nippon Times

LISBON, June 30.—Although it is believed that President Roosevelt's main purpose is to be a "President of the World," not content with being the President of the "greatest State in the world", circumstances are not necessarily of a nature to make the fourth term for Roosevelt absolutely certain, it is commented in well-informed quarters here.

A Washington dispatch to the Informaciones dated June 26 said: "Public opinion is in favor of Franklin D. Roosevelt renouncing the Presidency in order that he might preside at a peace conference" and The Evening Star commented: "Not content with being the President of the greatest State in the world, Mr. Roosevelt aspires to become a President of the World."

On the other hand, it is considered fairly certain that Roosevelt would be sent to the White House for a fourth time because there are no other statesmen in sight who enjoy an equal prestige or political ability in either of the parties. It is recalled, however, that in the presidential elections of 1928 Alfred E. Smith, Governor of New York, who had been regarded as absolutely certain to win only until a few months before Election Day, was defeated by Herbert C. Hoover in a perfect landslide. Those who take this view compare the situation this year with that in 1940 as follows:

(1) People eligible for voting have increased from 80,000,000 to 88,000,000;

(2) Because of wartime tension of the public mind, abstentions are likely to be much fewer (there having been 38 per cent abstentions in 1940);

(3) There will be 7,800,000 votes of mobilized people to be reckoned with;

(4) There will be 500,000 more women voters than men;

(5) These will be the first presidential elections to be held during a war;

(6) Revolutions have broken out in three of the South American democracies;

(7) The Communist Party has not nominated its own presidential candidate but has even expressed support of Roosevelt, and

(8) The 20,000,000 Catholics, on the other hand, are considered likely to support the Republicans.

In view of these circumstances, it is observed that the election of Roosevelt is not necessarily dead certain.

WAVELL'S ATTITUDE BARS COMPROMISE

Gandhi on Warpath Backed by 400,000,000 Indians, Says Azad Hind Spokesman

Domei

SHONAN, June 30.—"Mahatma Gandhi is assuredly on the warpath again and behind him is the solid phalanx of 400,000,000 Indians inspired by one slogan, 'Freedom or Death'" M. Sivaram, Spokesman of the Provisional Government of Free India, declared today commenting on the correspondence exchanged between Gandhi and the Viceroy of India as revealed by New Delhi authorities.

The spokesman stressed that the most outstanding feature of the letters was that there was absolutely no possibility of compromise between Indian nationalism and British imperialism. He added, "There is unmistakable confirmation of this in the attitude of Wavell as well as in the decision of Gandhi."

Contrasting the insolent attitude of Wavell with Mahatma's clear and resolute determination, the Azad Hind spokesman said, "Herein, we have an excellent picture of the conflict inside India—the British in all their panic and despair and the Indians in their resolve and courage and confidence."

Reviewing the published version of the exchanged notes and telegrams between Gandhi and Wavell, Mr. Sivaram said, "Gandhi made three demands on the British Viceroy; firstly that Gandhi be allowed to meet members of the Congress Working Committee who are at present being held in prison by the British, secondly that he be permitted to meet the Viceroy to clarify the Congress policy underlying the 'Quit India' resolution, thirdly that the latest correspondence between Gandhi and the Viceroy be published for the enlightenment of the Indian people and the world regarding the conflict between the British Government and the Indian National Congress."

Wavell Dreads Meeting

The Spokesman continued, "The Viceroy definitely turned down the first two demands made by Gandhi. Why? Why is it that Wavell does not want Gandhi to meet his colleagues? Why is it that Wavell does not wish to meet Gandhi himself? The answers are plain and simple. Wavell does not wish to meet Gandhi because the Congress demand that the British must quit India is, to quote Gandhi's own words, 'the very breath of life' for him. Wavell knows only too well that the 'Quit India' ultimatum is the very negation of life for British imperialism.

"That is why Wavell is convinced that there is no common meeting ground between him and Gandhi. The Viceroy does not want the Mahatma to meet the imprisoned Congress leaders as such a meeting would mean the intensification of anti-British sentiment inside India. Renewed resolve and understanding on the part of Congress leaders would hasten Britain's downfall. No wonder Wavell does not yet want Gandhi to meet his colleagues," commented the Spokesman.

Regarding Gandhi's demand for publication of the correspondence recently exchanged between him and the Viceroy and the latter's apparent reluctance to comply with this demand, the Spokesman said, "That is just another instance of British nervousness in India. The British do not want the Indian people to know precisely what Gandhi told Wavell for if Gandhi's views were made known, the anti-British feeling would increase a hundredfold. Wavell is only following a precedent in trying to seek cover behind the same old British tactics of suppression and repression."

Asserting, however, that Gandhi's declaration that he was prepared to go back to prison must have baffled Wavell, the Spokesman concluded, "In this momentous decision, Gandhi again revealed his grim determination to 'do or die' in enforcing the 'Quit India' ultimatum served on the British."

FOE AT ASLITO BASE FURIOUSLY POUNDED IN NIGHT AIR ATTACK

5 Grounded Enemy Planes Set Ablaze—U.S. Warships Off Saipan Are Blasted

Special to the Nippon Times

CENTRAL PACIFIC BASE, July 2.—Units of the Imperial Japanese Air Force in the Saipan Island area that have daily been furiously attacking the enemy position and warships on and around the island, stormed over Aslito airfield on the island last night. Carrying out a heavy bombing attack, the Japanese succeeded in setting ablaze five enemy planes parked on the airfield, and also caused fires to start at one place. One Japanese plane has not yet returned from this aerial assault.

Another unit of the Japanese Air Arm on the same day also launched a daring attack against the anti-Axis warships off Saipan Island.

While patrolling over the sea area west of the Mariana Islands during daytime yesterday, a Japanese patrol plane spotted a floating anti-Axis submarine and promptly directed furious strafing attacks on the undersea craft.

Persistently, the enemy air force has been repeatedly assaulting our bases in the Marianas area day after day. On Saturday, an aggregate total ranging from 50 to 70 enemy aircraft came attacking Tinian, Omiyajima (Guam) and Rota Islands. Japanese Forces on the spot intercepted and repelled all of the invaders.

Enemy Cruiser Damaged

At dawn of June 29, our Air Units damaged one enemy cruiser in the waters west of Saipan Island. One Japanese plane has not yet returned from this aerial engagement.

On the morning of June 24 when a combined formation of more than 60 anti-Axis deck-based fighters and bombers came attacking Yiojima Island, the Japanese in furious aerial duel shot down more than 37 (10 probables).

After repulsing the enemy, Units of the Japanese Air Arm, on the same day, caught up with an enemy task force, sinking two warships of an undetermined category.

Within less than 20 days between June 11 and 29, the enemy planes that attempted to attack Omiyajima (Guam) aggregated 2,323, of which the Japanese shot down 450 planes and damaged four others.

On the night of June 29, an enemy task force approached near Omiyajima Island and the Japanese Forces on the spot are now directing vigorous attacks on the enemy.

Colombia Reshuffles Cabinet

Domei

LISBON, July 1.—Reshuffle of the Colombian Cabinet has been conducted today by President Alfonso Lopez today, according to Bogota reports. Due to the changes in personnel, four new members have entered the Cabinet, it is further reported.

Lebanon Cabinet Resigns

Domei

BUDAPEST, July 1.—The Lebanon Cabinet which has been in turmoil for sometime, tendered general resignation today, according to reports from Beirut. In this connection, political circles in Lebanon are reported to be conjecturing that Premier Riad Es-Solh, will form a new cabinet.

British, U.S. Envoys Quitting Argentina; New Pressure Seen

Domei

LISBON, July 1.—Following in the footsteps of America, the British Government has ordered David Victor Kelley, its Ambassador to Argentina, to return home immediately, it was announced today, according to a London dispatch. The U.S. envoy at Buenos Aires, Norman Armour, it is recalled, was recently ordered home by the Washington authorities. According to another Washington message, the American and the British Governments, following the recent recall of their Ambassadors at Buenos Aires, are preparing some drastic economic pressure to be imposed on Argentina. Up to the present, Mexico is the only country in the Americas that has followed the examples of the United States and Britain. The Cuban Minister to Buenos Aires, who is now at home on a leave, is reported as not returning to his post for the time being.

REICH WAR LEADER DIES IN AIR MISHAP

Vice-Marshal Dietl Eulogized by Fuehrer—Hero of Norwegian, Finnish Campaigns

Domei

BERLIN, July 1.—Vice-Marshal Eduard Dietl, Commander of the Reich Expeditionary Forces in Finland, died in an aircraft accident on June 23, it was announced by German authorities today.

Hitler Eulogizes War Leader

The death of Vice-Marshal Eduard Dietl, Commander of the Reich Expeditionary Forces in Finland, in an aircraft accident on June 23, was announced by the Reichsfuehrer's Headquarters, today.

In this connection Chancellor Adolf Hitler issued the following proclamation:

"The late Vice-Marshal Dietl, rendered outstanding services to the State, particularly, scoring meritorious achievements in the operations in Norway and Finland. The unparalleled feats accomplished in the operation in the Narvik area in Norway, will forever be remembered by German people. The great commander will never be forgotten by the Alpine units which served under his command. In relation with the courageous Finnish brothers-in-arms, his name will be immortalized."

Highly eulogizing the late commander's bravery and valor, the Fuehrer posthumously conferred the Order of the Knight's Iron Cross with Sword and Oak Leaves.

A state funeral service was solemnized for the late Vice-Marshal Dietl today, attended by Chancellor Hitler and many others representing the National Socialist Party and the military, it is further reported.

Vice-Marshal Dietl was one of the most prominent commanders in Germany. He participated in the World War 1 and in 1920 joined the National Socialist Party. In 1939, at the time of the offensive against Poland, he commanded an Alpine division as Major-General. In 1940, he distinguished himself in the annihilative operation against the British at Narvik. With the commencement of the European War, he became commander of the Reich Expeditionary Forces in Finland and in 1942 was promoted to the post of Superior General.

NEW U.S. PRESSURE MOVE AGAINST FINNS REVEALED

America Says Finland Will Be Regarded as Economically Hostile Country

Domei

LISBON, July 1.—Following the severance of diplomatic relations with Finland, the U.S. Treasury Department announced today that America would hereafter regard Finland as an economically hostile country according to a report received here.

In this connection, it is further reported that Americans are now prohibited from trading or communicating with the Finnish Government, its diplomatic representatives, or any Finnish nationals, without the special permission of the Treasury Department.

Meanwhile, the U.S. Bureau for Control of enemy assets is reported to have confiscated all Finnish assets.

ENEMY TASK FORCE IN OGASAWARA AREA GIVEN FATAL BLOW

Entire Carrier Strength of Foe Believed Wiped Out in Battle of June 24

In the engagement off the Ogasawara Islands on June 24, Imperial Japanese Air Units are now believed to have wiped out the entire aircraft-carrier strength of the United States task force dispatched to those waters, says Domei.

A special dispatch from the front base already reported that the Japanese on June 24, gave battle to the enemy task force south of the Ogasawaras and shot down 37 or more aircraft besides sinking two aircraft-carriers and two warships of an unidentified category. The Imperial Headquarters communique of July 1 gave the details of this engagement and the aggregate battle results that subsequently became clear, in addition to which the total results obtained by the Japanese sea and air forces in the waters off the Marianas.

Task Force Attacked

On June 19 and 20, part of the Imperial Japanese Combined Fleet attacked a powerful enemy task force that came attacking Saipan Island and inflicted severe damage. Afterwards, part of the enemy task force made its appearance in the waters near off Yiojima in the Ogasawaras only a little over 600 nautical miles from Japan Proper. This force was built up around two regular aircraft-carriers and two converted aircraft-carriers. Japanese Air Units intercepted this fleet on the morning of June 24 as it was proceeding northward and attacked it before enemy planes from the carriers could attack Yiojima. Upon being forestalled, the enemy task force turned its course southward and attempted to flee but diving against it in waves the Japanese sank two large carriers and two warships of a then unknown category.

Then, over a Japanese base the Japanese shot down 49 or more enemy planes and six more over the enemy task force.

The two large carriers were later ascertained to have been regular carriers and the other two warships are now believed to have been converted carriers.

The Japanese suffered 46 planes not yet returned. The figure is compared with 39 planes in the Battle of Hawaii and 40 planes in the Battle of the South Pacific and regarded as showing the terrible fury with which the Japanese went after the enemy.

Mariana Battle Continues

The fighting in the Marianas is continuing with undiminished intensity, Japanese Air Units beating off the persistent enemy air attacks and operating actively day and night against enemy positions on Saipan and ships off the island in cooperation with the land forces.

The new Imperial Headquarters communique gave the aggregate results in the Marianas between June 20 and 30 and contained those which had been omitted in the communique of June 23. Submarines are also participating in the operations in those waters, one of them having drawn within 1,000 meters of a Wasp-type aircraft-carrier and subjecting it to a daring torpedo attack.

The following are the aggregate results covering a period between June 11 and 30 and the areas off the Marianas and Ogasawaras, including 48 or more enemy ships sunk or damaged and 666 or more enemy planes shot down:

Battleships: sunk 2; damaged or sunk 1 and damaged 2.

Aircraft-carriers: sunk 2; damaged or sunk 5 or more and damaged 6.

Warships of unknown category: sunk 2 and damaged 1.

Cruisers: sunk 4 and damaged 4.

Destroyers: sunk 3 and damaged 2.

Transports: sunk 2 and 11 damaged.

Submarines: sunk 1.

Aircraft: 666 or more shot down.

(Note. "Damaged or sunk" here means that it is not certain whether the ship in question has been sunk or just damaged).

CHUNGKING IS URGED TO BANISH WALLACE

Trying to Make Chiang Fight Battles for U.S., Says Nanking Spokesman

Domei

NANKING, July 1.—Speaking over the radio under the title, "Visit of Wallace to Chungking Reminiscent of Sian Affair" broadcast from here at 9:30 p.m. today, the spokesman of the National Government of Nanking urged the necessity of banishing Wallace and the American air force now stationed in different parts of China.

He said that the Chungking regime, in view of the successful major operations now being conducted by the Japanese Forces in Honan, Hunan, and Chekiang, is entertaining undue expectations over Wallace's visit, treating it like beneficial rain during a drought. Here lies a serious danger to China and the Chinese, remarked the speaker. Wallace's visit to Chungking, as at the time of the Sian Affair, will compel Chiang Kai-shek to resort to opportunism as a self-protective measure which will endanger the independence of China and the Chinese people. The following is the gist of his message:

Pressure on Chiang

"Public opinion in Chungking is expressing hearty joy over Wallace's visit, as if he were an angel bringing hope to Chungking for a brighter future. Wallace, however, is nothing other than a magician. He is speaking as if he were in a position to dispose of all the political and economic troubles which are besetting the Chungking regime. At present, Chiang stands under the same circumstances as in the 25th year of the Chinese calendar when he was involved in the Sian Affair. He must be in the same mood as that of an undutiful son who tries to leave home against the wishes of his parents. Obviously, Wallace has visited Chungking for a similar purpose as the one for which Sung Mei-ling and her brother visited Sian at the time of the famous affair. Chiang Kai-shek, at that time, was compelled to settle various questions concerning the Chinese Communist Party. Chiang, during the stay of Wallace at Chungking, will be pressed for the speedy settlement of all questions concerning the Chinese Communist Party as well as for the immediate realization of a coalition between the United States and Chungking. In the Sian affair, Sung Mei-ling and her brother, for the protection of their own positions and for the safety of Chiang's life, earnestly recommended a compromise to be reached between Chiang and the Chinese Communist Party. It goes without saying that a solution of any important question in this manner was absolutely incompatible with the national interest of China, nor with the sense of justice. Consequently, Chiang's regime, by following an anti-Japanese and pro-communist policy, gave rise to the China Affair. For several years in the past, the Chiang Kai-shek regime, on the one hand, has been trying to check the spread of the influence of the Chinese Communist Party, and, on the other hand, to realize perfect independence of China as well as the complete emancipation of the Chinese people through the maintenance of aimless resistance against Japan.

Situation Now Seen Worse

"In both of these attempts, Chiang has obtained no success at all. He has even been unable to check the spread of the influence of the Communist Party. In the meantime, Chiang is left without any prospect for success in his resistance against Japan. The situation for him is much worse than at the time of the Sian Affair.

"The growing influence of the Communist Party is now threatening the position of Chiang Kai-shek. He is now obliged to behave himself as a friend of the Communist Party which is causing the degeneration of tens of thousands of the Chinese people. If Chiang had not listened to the wrong advice of Sung Mei-ling and her brother at the time of the Sian Affair, Asia would have never know, such a deplorable development as the China Affair.

"U.S. Vice-President Henry A. Wallace is now doing his best at Chungking to compel Chiang Kai-shek to repeat another glaring mistake by compromising with the Communist Party and through coalition with the United States. The United States has dispatched Wallace for the establishment of a coalition with Chiang, not because Washington loves Chungking, but simply because it wants to make the best use of what military strength Chungking still has, for the successful development of America's military operations against Japan. Such is the manifestation of the selfish individualism of the Americans. We cannot accept the dangerous requests of the United States.

"The time has come when all people of China should rise and banish Wallace from China. They must drive from China all American air units now stationed in our country. In order to earn perfect independence for China and to liberate Greater East Asia from the malignant hands of the Anglo-Americans, the Chungking regime must cut off all its relations with them; do its very best to suppress the violence of the Communist Party; discontinue its armed resistance against Japan with no further delay, and devote its efforts for the speedy restoration of complete peace all over China. If Chungking retains some sense of justice and is anxious to maintain the mighty life of the Chinese nation, it must, in a resolute manner, defeat the fraudulence of the Anglo-Americans toward the weaker nations, and thereby regain its initiative against the Washington and London Governments."

PROGRESS IN MALAI NOTABLE IN 2 YEARS

Nippon Military Administration Doing Great Wonders in Reconstruction Work

Within a span of two years since the outbreak of the War of Greater East Asia, Malai has taken giant strides toward the rehabilitation of the country in the spheres of education, industry, and administration as well as in the economic field. The importance of the peninsula as an integral part of Greater East Asia cannot be overestimated reports Domei.

Malai has been utilizing its natural resources to the fullest extent in order to augment its national strength, so that it will be able to contribute further toward the consummation of the current war. Upon the installation of the Japanese Military Administration in Malai, every effort was exercised to eradicate Anglo-American influences. With the investment of Japanese capital and introduction of Japanese technique as well as all-out cooperation of native inhabitants, a new blood has been transfused into the vein of Malai economy. It will not be long before Malai will emerge as a vital front base in Greater East Asia.

Situation Contrasted

Under the British rule, the Malais were so cruelly oppressed that they had no means of elevating their cultural life or cultivating their spiritual aspiration. However, since the founding of the Japanese Military Administration, Japanse culture and system of education have been widely introduced throughout the peninsula, greatly bolstering the people's cultural life as well as stabilizing their daily lives. The participation of native people in the administrative field as was decided on October 2 points out the fundamental policy of the Japanese Government. With the employment of the Malais in government offices and with the convening of State and City councils, the Malai inhabitants will contribute a great deal to an effective conduct of administrative activities.

Ever since the installation of the Japanese Military Administration, the Japanese Government officials invited prominent Malai, Chinese, and Indians to discuss various important issues concerning administration in the peninsula. It goes without saying that the cooperation of the native people has facilitated the successful inculcation of the Japanese spirit in the native people.

In view of the necessity of enhancing the people's cultural life, all the elementary schools for Malais, Indians and Chinese were reopened at the earliest date after the occupation of the peninsula by the Japanese Forces. The number of schools newly established by the Japanese has greatly increased. The Medical Universities, Normal Schools, Middle Schools and other higher educational institutes have resumed their activities, one after another.

Training Institutes Set Up

The fact that a considerable number of native youths are now being trained at the technical training institutes established in every State and City, must be given proper attention. Those youths are trained particularly in farming and scientific techniques. Already some graduates are now doing their utmost as leaders of the rejuvenated country in further strengthening the national defense as well as in contributing to the successful prosecution of the current war.

The judicial system hitherto in existence was replaced by the purely Japanese judicial organs as of November 1. Thus, Asiatic justice has been restored and a new invigorated life has been realized throughout Malai.

The utmost concern of the Japanese Military Administration has been to develop natural resources, enhance industrial activities, and realize self-sufficiency in regard to foodstuffs. The tapping of mineral resources has been entrusted to a certain number of industrial enterprisers and through the utilization of highly-developed scientific technique, vital war materials have been developed and shipped to Japan Proper. Such large-scale industries as the manufacture of charcoal, pig-iron, and the production of special steel by election furnaces have been launched for the first time in the history of Malai. Chemical industries including the manufacture of cement, carbide, and others have been also developed. The manufacture of tubes and tires has been started and spinning mills have also commenced operation. By April next year, industrial activities will be further bolstered for increased production.

RURAL PEACE MOVE STRESSED BY WANG

Campaign Has Vital Role in Setting Up Strategic Defense Structure, He Says

Domei

NANKING, June 30.—On the occasion of the third anniversary of the commencement of the rural pacification movement, Wang Ching-wei, President of the National Government of China, in a statement today, declared that the campaign will be instrumental in laying a firm foundation for the successful consummation of a strategic defense structure of East Asia against western aggression.

Since the establishment of a committee for the rural pacification movement in July, 1941, the program has been carried out smoothly due to strenuous efforts made by officials concerned, who are devoting their all toward the attainment of the goal, coupled with the spontaneous cooperation of the Chinese people, President Wang asserted.

He also expressed deep gratitude for Japan's cooperation and assistance in furthering the movement, which he described as "the propelling force of the movement." He stressed that in carrying out the movement, there is no room for any compromise which would be detrimental to the cause of China's national revolution.

In this connection, President Wang referred to the Chungking regime. Chinese communists and other lawless elements, which he stressed must be wiped out thoroughly, since they are treacherous to the State, and harmful to the welfare of the people. He also insisted on the purge of treacherous soldiery, corrupt officials, and profiteers who exploit the masses in disregard to public interests.

He declared that the purging crusade for the maintenance of peace and order is not being carried out for the benefit of one province and one country alone, but is also charged with the mission of laying the foundation for the resurrection of China and thereby contributing China's share to the cause of the defense of East Asia.

President Wang declared that there were two important aspects of the movement, namely, guarantee of peace and order and the revival of China by exterminating Anglo-American imperialistic influences, as well as restoration of East Asia to East Asiatics. In other words, he continued, the movement aims at the resurrection of China internally, and simultaneously, at the successful consummation of the War of Greater East Asia in close cooperation with Japan.

He said that a step forward in the rural pacification movement means one step nearer the fulfillment of the mission of the new era of East Asia.

HUGE SUM IS ALLOCATED TO HELP PARIS EVACUEES

Quick Removal of Children From Danger Zones Is French Government Aim

Domei

BERLIN, July 1.—The French Government has allocated 5,000,000,000,000 French francs for the support of evacuees from Paris, according to Saturday morning papers.

The French Government is especially concerned about the quick evacuation of children from the bomb danger zones. In the course of June over 300,000 children were evacuated to rural districts at state expense. Other measures contemplated at present are that school children in the larger cities who are not being evacuated and are unable to spend their vacation somewhere else will not be left to themselves. For this purpose the creation of municipal vacation schools has been planned, some of which will soon open in several districts in Paris and its suburbs. One such institution has already opened in the sixth Paris district for boy and girl students of grade school age.

Sweden, Finland Sign Pact

Domei

STOCKHOLM, July 1.—Trade agreements for the latter half of 1944 were signed today, between Sweden and Finland, it was announced by Christian Guenther, Minister of Foreign Affairs. In accordance with the newly-concluded agreements, Sweden will supply various materials worth 9,000,000 kroner during the period.

American Negro Wants His Freedom Now—Days of Exploitation Past, Says Robeson

Special to the Nippon Times

LISBON, June 30.—"The Negro wants his freedom," declared Paul Robeson, noted Negro actor and singer, during an interview in which he stated that the temper of the American Negro had changed during this war, according to a recent issue of The New York Times.

Robeson warned against the danger of the exploitation of Africa after the war and said, "We, in the United States must listen to President Roosevelt's interpretation of African affairs and not to that of Prime Minister Winston Churchill."

"The problem of the Negro in U.S. is a very serious one," Robeson asserted. "One solution will be pressure on America from the outside. There are 100,000 Negroes in the European theater of war and although the Americans wished their segregation, as at home, the English insisted on their being mixed with the others. This shows the strength of foreign opinion and pressure."

"We shall have a lot to say concerning Africa," Robeson continued, "I learned from English friends that the British Conservative Party realizes that India is lost and that the 'gravy' is now in Africa. The African problem is a very urgent one and will come into the limelight more and more."

"The American Negro's temper has changed and now he wants his freedom. The age of exploitation of peoples is definitely past," he concluded.

SOCIALISM HINDERS JEWISH CAPITALISM

Germany Building Eternal Foundation on Ruins of Europe; British Downfall Foreseen

The question to what extent the individual peoples are aware of the inevitableness of a social revolution in Europe as a consequence of the present war is described in the last 1943 issue of the Voelkischer Beobachter, according to a special Berlin dispatch to the Nippon Times yesterday.

The German paper particularly quotes the replies of its correspondents stationed abroad to this question. In an introductory contribution, Eugen Muendler outlines the problem of the German socialism.

He declares that since 25 years the social question has come to the fore throughout the world. Individualistic capitalism had collapsed during the World War, after world Jewry had remained as usufructuary. In the innermost essence of Jewish capitalism, whose highest and ultimate aim is not production, but effortless exploitation, Anglo-Saxon capitalism joined hands with Bolshevist Communism.

"By means of this war they are trying to get the whole world under their sway," he states. "National Socialist Germany is obstructing their goal. Germany has solved the social question with which her enemies were unable to cope in the past 25 years. Their attempt to employ as a last means also aerial warfare in order to extirpate Socialism has shown to us all the more what the latter really is. German Socialism, tempered under fire, will prove after the present war a power that will erect the Eternal Reich on the ruins. For Europe a period of joint labor will begin; an era in which new forms of communal life of the peoples will develop."

Lisbon Scribe Comments

The Lisbon correspondent of the Voelkischer Beobachter sent in his reply to the above question under the caption: "Yankees are getting thoughtful."

He corroborates his reply with utterances of American politicians and journalists from which it becomes evident that it is only for realistic values and own social progress that the Americans are willing to work and die.

"One no longer wants to be led with eyes blindfolded to the slaughtering-bench of the golden calf, to die for Morgan, the Wall Street Jews and Roosevelt's political excesses. Sheery Mangan wrote in Fortune magazine that the United States was heading for a long period of increased socialistic crises, and that this process was only the beginning. He thereby admitted that the young ideas of Europe are beginning to take effect even in America," he said.

Different was the answer of the Voelkischer Beobachter's Stockholm correspondent on the British attitude.

In his opinion, the actual danger to capitalistic Britain does not threaten from inside. Her fall is being prepared by the fact that Britain in the course of the present war is losing her world-wide power positions one after the other.

"There was not the slightest indication of any spiritual preparation in Britain for the social revolution after the war, for this would require a volume and depth of thought which the Briton after all does not call his own," he stated. "However, one could be sure that the number of people in whose heads the realization of the inevitableness of a social revolution was dawning, would grow, also, in Britain, once they would be facing their destroyed property."

Slovakia, Italy, Spain, Rumania, and Turkey are described by the foreign correspondents of the Voelkischer Beobachter as countries in which the new social order is already beginning to take shape.

Slovak's New Order

Slovakia has included the social new order in her national constitution as one of the most important aims and numerous measures have since been serving the reconstruction of social conditions and the overcoming of the sad inheritance that she took over. Apart from economic measures, the working people are being looked after in intellectual respect, too. What the Slovaks consider as the New World Order is apart from the final destruction of the capitalistic methods of exploitation of the liberalistic economic system, also the destruction of Bolshevism with its identical aims.

Although Italy is still busily engaged in clearing away the debris after her collapse, the general outlines of the new edifice of the socialist state had become visible already. The meaning of Socialism is to prevent forever that workers and soldiers may become hostile brothers, as was hitherto the case. The realization that it is only Socialism that can repair the collapse has gained a firm foothold.

Already the Spanish Civil War had shown after a short while that in Spain simultaneously a battle for or against a new national and social order was being waged. In the program of the Falangists, capitalism and socialism were rejected alike. A fundamental social reform was proclaimed as absolutely necessary. The principal care of the present Spanish State is accorded in the first place to the workers, to create for them a dignified existence and render them immune from Communism.

Rumania's Chief of State, Marshal Ion Antonescu, recently in a conversation expressed his conviction that later on money ought to be replaced by work, and that the Socialism of the future must be prepared now. His conviction is being made use of already today in the social measures of his Government, especially in the question of landed property. Instead of the thin upper crust, who alone were leading so far and were partly of alien origin, and their absolute predominance, peasants and manual workers are gradually getting their rights that are due to them.

Turkish Leaders Careful

Of Turkey, the correspondent of the Voelkischer Beobachter says that the leadership of the nation had exercised ever greater care lest the population would suffer from grave repercussions through industrialization. To lift up the nation's peasantry is regarded by the State as its principal task. Between the peasantry and the thin layer of urban intellectuals there existed such a deep chasm that the Government had systematically started to do away with the evils in question and to help the peasants to an existence that is appropriate for human beings and, therefore, practicable.

As regards Hungary, it is said that she wants to take her time. One expects, even if not in all quarters and from a full heart, a social revolution throughout Europe after the termination of this war. The Government, however, especially last year, again deviated from the ways of social progress and decidedly rejected any idea of social development of a revolutionary kind.

Switzerland is moving in ancient orbits. True, the bourgeois are exclaiming: "No new 1918," and mean thereby: "No repetition of the revolutionary danger. Switzerland is a typical country of liberal capitalism, and only a small section of the population want to effect a fundamental change in this. Certain social questions are regarded as a reason for superficial repairs, but not for a fundamental reconstruction of the whole edifice. Few seem to know that Switzerland can never get away from what is taking place abroad. However, it cannot be an isolated call of capitalism, if the remainder of Europe wants to disassociate itself from it."

In Sweden, the war constitutes by no means the big economic and social crisis, but is merely regarded in a negative sense as a critical phase, that is, therefore, as nothing but an intermediary stage from which developments in their basic traits will again lead back to the old pre-war ways.

There may be vague and uncertain feelings that in the social life of the nations new principles of existence are rearing themselves to materialization, but these feelings do not find any outward expression.

To the Swedes, the latest social adaptation to the Anglo-American world appears as the natural thing for the future. This found its expression of late in stronger diplomatic-economic representation in the entire world of America nations, which likewise strives for firmer economic ties for the future.

BANKING COMPANIES FLOURISH IN SOUTH

Over 15,000 Financial Bodies Active Proving Sound State of Economy

Domei

SHONAN, June 30.—Indicative of sound economic conditions prevailing throughout the Southern Regions, statistics compiled by Japanese authorities here as of April 15 reveal that more than 15,000 financial institutions are doing flourishing business.

These include the Southern Regions Development Bank with its 19 branches, four other banks with Japanese capital—Yokohama Specie Bank, Bank of Taiwan, China and Southern Development Bank and the Teikoku Bank—with 74 branches and 16 local banks of either Chinese or Indian capital with their branches totalling 128.

Statistics compiled of the more important financial institutions disclose that the Southern Development Bank, with its home office in Japan, operates five branches in Malai; at Shonan, Kuala Lumpur, Kuala Kangsar, Penang, and Taiping; four branches in Sumatra, at Bukit Tinggi, Padang, Palembang and Medan; five branches in North Borneo, at Api, Kuching, Miri, Sandakan and Tawao; four in Java, at Djakarta, Surabaya, Bandoeng and Semarang; and one in Burma, at Rangoon.

Reopens Branch Offices

The Yokohama Specie Bank has had all its four branches, which were closed upon the outbreak of the War of Greater East Asia, reopened, one in Malai and three in Java, and in addition to these, has had a total of 61 branches newly established subsequent to the liquidation of Anglo-American-Dutch interests.

The Indian Bank, Indian Overseas Bank and the Oriental Bank of Malai with their 10 branch offices are scattered over Malai, while the Azad Hind Bank and People's Bank of Burma operate 10 offices in Burma.

The list of banks with local capital can never be complete without mentioning the Sumatra People's Bank with its 10 branch offices, Java People's Bank and the East Indian Bank which together are running 74 branch offices.

According to data available, deposit accounts of the afore-mentioned banking institutions aggregated the tremendous sum of ¥564,000,000 at the close of last year.

Financial Setup Adjusted

Meanwhile, the conclusion of an agreement between four life insurance companies has completed the work of adjusting the financial system to meet the needs of the military administration in the Southern Regions.

The branch offices of the Southern Regions Development Bank, through which the financing of the measures of the military administration is chiefly carried on, and other Japanese banks operating in the Southern Regions have been reopened, while the offices which have been newly established in these regions by those banks are already functioning.

The local banks have already reopened their branch offices, and are extending their operations through the establishment of new offices.

The incorporation of the life insurance companies in the system through which the needs of the military administration are financed is already exerting a considerable effect in increasing the amount of capital at the command of the financial system.

Have Important Role

Along with the damage insurance companies which have already been brought into the system for the financing of the measures of the military administration, the life insurance business can be depended on to make a large contribution to the firm establishment of the financial structure of the Southern Regions.

On April 15, 1944, 19 offices of the Southern Development Bank were reopened, 73 offices reopened or newly-established by four Japanese banks, and 128 offices reopened or newly-established by 16 local banks in the Southern Regions.

The inclusion of village banks of which there are 66, and rice banks of which there are 5,361 in Java, as well as people's banks of which there is quite a multitude in every part of the area under Japanese military administration, will bring the total of offices of financial houses which are pledged to finance the demands of the military administration to more than 15,000.

Already five damage insurance companies, with a total of more than 100 agencies, are helping to make a success of the financial system which has been reformed on the basis of meeting the needs of the military administration.

The operation of the southern financial system, which has been brought to a state of perfection, is done on the basis of the budget of the military administration and the extraordinary war-expenditure budget.

Has Large Deposits

The deposits in the system amount to several hundred million yen.

There has likewise been a considerable increase in the capital absorbed by the system.

Above all else, the banks had deposits amounting to a total of ¥564,000,000 as at the end of December, 1943.

Of this amount, 60 per cent is in the Japanese banks and the rest in the local banks.

The deposits, according to regions, are $223,000,000 in Malai, 76,000,000 guilders in Sumatra, $16,000,000 in Borneo, 169,000,000 guilders in Java, and 68,000,000 rupees in Burma.

Deposits increased greatly at the beginning of this year, and there has since been the continuance of this mounting tendency.

The increase in deposits and the extension in the activities of the various forms of wartime industry have been accompanied by a corresponding increase in loans made by the banks.

The Southern Regions Development Bank had very considerable outstanding loans at the end of last year. The loans of the general lending houses were nearly half as large as those of the Bank.

Are Very Active

The various damage insurance businesses are in a phase of unusual activity.

The business results of the Malai Damage Insurance Control Company for 1943 show that the insurance contracts entered into by the fire, marine, freight and transportation insurance companies amounted to a total of $638,000,000, and the premiums received totaled $1,660,000.

It will thus be seen that there has been a rapid advance in the income of insurance companies in Java, Sumatra, North Borneo, and Burma, holding out a promise of a great development of the businesses.

The swift carrying through of the general adjustment of the financial system in the South is the more remarkable because it has been accomplished under the conditions of the decisive stage of the war.

This achievement is proof of the fact that there is a wide margin by which Japan is conducting the war and that Japan has the capacity for developing the resources in the Southern Regions.

The financial system in the South now is in a position to pursue a positive policy in the provision of funds for enterprises which are of importance in the development of the regions and to carry through a program for the planned absorption of capital.

Fuehrer's Headquarters

July 1

Our outnumbered forces, concentrated in a narrow space, continued their bitter resistance against the enemy on the northwestern tip of Cherbourg Peninsula.

The enemy launched several ineffective thrusts east of Orne. He was forced into the defense in the break-in of the area southwest of Caen and restricted his activity to reconnoitering thrusts of local importance, which collapsed in front of our barrages. Our counter-thrusts from the northwestern direction gained ground slowly though steadily, despite tough resistance by strong enemy artillery, particularly from the seaside. Ground was gained on both sides of the Odon river. American troops supported by strong artillery and tank forces and by air formations started an attack northeast of St. Lo. The enemy attack was foiled by concentrated defense fire and suffered a considerable number of casualties. The Luftwaffe with strong battleplane formations effectively joined in the battle in the Normandy landing head. Lieutenant Schenk, platoon-commander in a tank regiment, destroyed 12 enemy tanks southwest of Caen on June 27. A Flak-regiment under the command of Colonel Hermann particularly excelled in the battle for Cherbourg. Coastal batteries of the army command scored several direct hits on an enemy landing craft off the mouth of the Orne and forced one destroyer to flee.

Heavy harassing fire has been directed against London.

The enemy still continued his attacks between the coast and Lake Trasimeno on the western wing of the Italian front, with concentrated infantry and tank forces. The enemy in extremely heavy fighting involving enormous casualties succeeded in advancing still farther in the coastal sector and in the area south on Sienna. The fighting in this sector has been continued with undiminished violence.

Our troops in the central sector of the Eastern front are still waging a heavy defense battle. The battle in the town of Saluzk is still raging. In the Ossipowitschi and the Borossow area, there were major Soviet thrusts supported by tanks. The enemy attacks were intercepted by tough fighting on the upper course of the Beresina, as well as to the west and southwest of Polosk. German battle plane squadrons joined with telling effect in the defence battle. They inflicted severe casualties and losses of material to the enemy forces. Escort vessels of the naval command sank in the Finnish Bight near the island of Narvi three attacking Soviet motorboats.

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CRUSHING DEFEATS WORRY YUNNAN FOE

Chiang Troops Who Hail From Honan, Hunan Upset by Disastrous War Reports

By S. FUJII and M. NAKANO
Of the Military Press Corps

NU RIVER FRONT, July 1.—Reports of the great victories of the Japanese Forces now engaged in grand-scale offensive operations after sweeping over Honan and Hunan provinces and reducing Hengyang airfield, have upset the troops of the Chungking Yunnan Expeditionary Forces who have been suffering a series of bitter defeats.

Many of the officers and men of the Chungking Yunnan Expeditionary Forces are natives of Honan and Hunan provinces where the smashing Japanese offensive operations are now in progress. Revealing their deep concern over the welfare of their wives and children who have been left behind in their home provinces, many of these Chungking officers on the first firing line have petitioned their divisional commanders, requesting that immediate measures be taken to offer protection and monetary aid to their families.

In their petition, the officers made it plain that if this step is not taken they would not be able to fulfil their duties at the front. They stressed that they would not be able to give their best efforts to fighting if their minds were plagued with anxiety over the welfare of their families.

Despite the fact that attempts had been made to conceal the defeats suffered by the Chungking forces in Honan and Hunan provinces, the rank and file of the Chungking Expeditionary Forces in Yunnan have become aware of the true war situation.

Although they had taken part in the much-vaunted counter-offensive operation which was aimed to effect a break-through in the Ledo Road area, the enemy forces in the Nu River Front, which is far away from the center of fighting in the Continent, have been greatly affected by the brilliant war results gained by the Japanese Forces in Honan and Hunan provinces.

New Hungarian Air Chief

Domei

LISBON, July 1.—Major-General Stephen Banphalvy has been appointed commander of the Hungarian air force by Nicholas Horthy, Regent of Hungary, it was announced today, according to a Budapest dispatch.

The
Sumitomo Bank
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Behind the Scenes

This article, written by Louis Bromfield, author of many popular novels and a Pulitzer Prize winner, is reprinted from the August, 1943 issue of Reader's Digest. At one time Bromfield was an ardent supporter of the New Deal.

By LOUIS BROMFIELD

Though ours is the richest agricultural nation, our people are not going to have enough food. We are already rationed. In every city in America there has been an actual lack of such staples as potatoes and beef and milk and poultry. And we are nowhere near the peak of the crisis.

The farm season of 1943 started off badly with a cold, capricious spring which delayed planting. Then came floods, all through the Middle West, destroying millions of acres of crops.

Our "ever-normal" granary will have been exhausted by the end of the summer, with nothing but a wheat crop from 20 to 40 per cent below normal production to replace it. We are already importing grain from Canada to feed cattle, but even Canada's supply will not last forever.

The situation will grow worse. If it were possible, I would rather not think about next year. By then most of our people will be living on a diet well below the nutrition level. Before we have finished, this tragic food situation will go down as one of the most senseless scandals in American history.

How could such a state of affairs have come about? There is but one answer—the President, and the men about him responsible for the security of the home front, did nothing whatever about the desperate food situation until April of this year. Then it was too late—and too little was done. Instead of putting into effect a forceful coordinated plan for food production, the Food Administration, under Secretary of Agriculture Claude R. Wickard, told the American people that their health would be better with less food, and that they must learn to do without.

Wickard's Hands Tied

Even if Mr. Wickard had been a forceful administrator, his hands were tied in a dozen ways by incredible confusion. Food prices were under the control of OPA, then directed by the erratic Leon Henderson. Farm machinery was under control of the WPB at a time when Donald Nelson was harassed by the ravenous demands of the army and navy and distracted by endless quarrels in his own administration. Farm Labor was under the control of General Hershey, head of Selective Service, and Manpower Commissioner Paul McNutt.

At the very moment the farmer was asked to raise more food than he had ever raised before, the WPB cut the production of farm machinery to 23 per cent of normal; and skilled labor was drafted wholesale by Selective Service.

You can perhaps take away labor or machinery from the farmer, but you cannot take both. The result—though 1942 was the best crop season recorded in our history—was that dairies went out of business, good dairy cows were sold to make hot dogs, poultry enterprises decreased their production of eggs and meat. Even worse, hundreds of thousands of acres of soybeans, corn, potatoes and other vital food crops rotted in the fields because there was neither labor nor machinery to harvest them.

If soybeans, wheat and corn rot in the fields you have that much less beef, pork, lamb, poultry and dairy products, for these cereals are fed to stock. That is one reason for our present meat and milk shortage.

In addition, the erratic price ceilings ordered by OPA dislocated the whole field of food production. One striking example will illustrate what happened many times over.

A ceiling was placed on beef passed through the packing houses, but none whatever on beef on the hoof, or on grain used to feed and fatten this beef. Result: Beef cattle were shipped to market off the range without being fattened to full weight; therefore we lost millions of pounds of beef, while much that we did get was poor in quality. Moreover, in many beef-producing areas, the price of live cattle rose above the price of processed meet. This caused the large packing houses to think twice before increasing production, and forced scores of small packing houses to close down altogether.

There were countless other handicaps. The farmer had to waste precious time, gasoline and tire mileage driving about trying to get farm machinery which was often not to be had. He was forced to fill out countless questionnaires that went to Washington in huge bundles which were not even opened. He was forced to make affidavit after affidavit in the fight for deferment of what labor was left him. In thousands of cases he had to fight for deferment for himself; if he lost the fight, it meant simply that, in 70 per cent of the cases, his farm would go out of production.

In the midwestern bread-basket states, farm sales jumped to appalling figures. In some counties it was necessary to engage an auctioneer weeks in advance.

Official Smoke Screen

Meanwhile, clouds of optimistic figures, as confusing as the ink emitted by the cuttlefish to conceal himself, have been coming out of the Department of Agriculture.

These figures did not give a picture of the truth—that we were, considering the mounting demands being made upon us, desperately short of food. While Food Administrator Wickard and his assistants announced that never before in history had we produced so much food, no mention was made of the fact that approximately 25,000,000 people, making more money than ever before, suddenly wanted to buy vast quantities of beef, lamb, pork, cream, butter and other foods which formerly they had been able to afford only in small quantities if at all.

Nor was any mention made that eight per cent and more of our food was being used by lend-lease, that another 27 per cent was being used by the army and that 20 per cent or more of that was being wasted in army camps (as shown later by the Truman Committee investigation). The Department's reports said nothing of the 500,000 gallon cans of tomato juice, owned by the army, and emptied into Lake Erie at Cleveland because it had spoiled.

Nor was any mention made of reports that a large part of the wheat stored in our "ever-normal granary" had, through neglect, been destroyed by weevils or mold. In the face of the fact that every newspaper survey of acreage for 1943 in the bread-basket area has shown prospective decrease of acreage under cultivation, Mr. Wickard's office blandly announced an increase of 10,000,000 acres under cultivation in 1943. Where this 10,000,000 acreage was to come from even the New Deal experts could not say.

How can the country have confidence in announcements coming out of Washington when the Food Administration announced vast quatities of food at the very moment that the Black Market was raising its head? The Office of War Information was asked to make a report to the American people on food. It received three reports from the Department of Agriculture, all seriously at variance. When the OWI statement was finally issued it was so far from the truth that the new Food Administrator, Chester C. Davis, had to label it "too optimistic."

But eventually the truth had to come out. It came out with a vengeance about the month of March, when police all over the country were called to keep in order the long queues of women who heard that this or that local shop had a little meat or a single bag of potatoes. In Colorado the governor took over the administration of the Draft, to prevent further irresponsible siphoning of skilled farm labor by the Selective Service, which had announced only a short time before that it was not drafting any more skilled farm labor. The governors of half the states in the Union met to protest the farm labor and machinery situation and to set up plans of their own to solve the food production problem. The administration of food was not only chaotic; it had broken down altogether.

Wickard Kicked Out

For the first time, as the crisis grew, the President showed alarm. He deposed Secretary Wickard as Food Administrator. Chester C. Davis was called in and virtually ordered by the Commander-in-Chief to take over the food problem. Mr. Davis is honest, capable, experienced, but I doubt that he will be able to feed our armies, our allies, and 400,000,000 starving people scattered over Asia, Europe and Africa. I doubt even that he will be able to feed our civilian selves. Yet the President and former Governor Lehman are going ahead with plans for feeding the world.

Next, there began frantic attempts to conceal the true situation, and at the same time do something about it. Canned goods out of the army's supplies were thrown back on the civilian market. Farm machinery production was increased to 49 per cent of normal. The Manpower Commission announced that no more genuine farm labor would be drafted, and then went right on drafting it. Cuts were made in the incredible red tape surrounding gas rationing, farm truck regulations, machinery and material priorities, but the cuts did not produce more machinery and material.

All these moves were in essence hasty and ill-considered, made in a wild effort to check disaster. Nothing was done to correct the fundamental evil—confused and ill-managed administration. The President has followed his well-known pattern of setting up another parallel administrative bureau rather than putting right the one that already existed. Mr. Wickard was kept on as Secretary of Agriculture, even though a whole new food administration under Mr. Davis nullified the normal functions of that department.

The inadequate increase in farm machinery to 49 per cent of normal production cannot be realized in 1943, because most of the big farm machinery factories are making other things and cannot overnight be returned to producing farm tools. Meanwhile, there is a desperate shortage of all farm machinery needed not only for increased production but even for normal production.

The shortage was aggravated by the "freezing" of needed available machinery, and by such blunders as distributing machinery where it was of no use. Combines were sent to cotton areas; corn pickers were allotted to areas where no corn was grown. Desperately needed equipment belonging to evacuated Japanese farmers sat, and sits, rusting in western states.

Farmers still have to waste working hours filling out WPB, OPA and Department of Agriculture questionaires and making trips to various bureaus for permits to buy parts. The manager of my own farm was forced to spend two days and drive 185 miles to get a new tractor part—while the tractor stood idle.

So we have a black market in farm machinery. A four-year-old tractor, worth $750 when new, brings as much as $1,200. Since there is an OPA ceiling on prices, the auctioneer at farm sales sells a bale of hay or a rooster for $1,200 and throws in the tractor.

Labor Shortage on Farms

The farm-labor situation is even worse. Selective Service and the Food Administration have issued statements to show that the farm labor shortage was caused by high industrial wages in cities. These were misleading statistics—not more than a fraction of one per cent of skilled labor left farms for factories. It was Selective Service, operating without wise selection, that took labor off the farms in the face of an actual food shortage. At last, in a panic, the War Manpower Commission issued a "directive" to stop the drain. Yet before me on the table two months later are the cases of four skilled farm workers and managers from one of the most important food producing areas, who will be taken into the army at once if Selective Service can't be checked.

As a makeshift, it has been proposed to bring skilled labor from the army back to the land, but the army and Selective Service change their minds from day to day as to how this is to be done; the procedure is enmeshed in red tape, the required forms frequently are useless before they arrive in Washington, and the thing has to be begun all over again. Actually, a ludicrously small number of men was released for the spring planting. Perhaps some will be available for the harvest.

In the Administration there were plenty of men who should have known how to handle our farm problem. The President, at times, says that he is a farmer. Mr. Wickard claims that he is a dirt farmer and has his picture taken shoveling corn to the hogs. The Department of Agriculture is presumably overflowing with experts whose lives are given to farming problems. Yet they have been asking the farmer to produce more and more food while they have been putting more and more obstacles in his path.

Meanwhile, the farmer is doing the best he can in spite of obstacles. No citizen has a finer record of work and patriotism in this war. It is not his fault if we produce less food in 1943 than in 1942. We must not blame him for the one bumper crop we can be sure of—black markets.

As long as inflationary money and a scarcity of food go side by side nothing can stop black markets. I have lived with black markets in various European countries, and I think I know how they operate better than most Americans. They spread and grow as people stand in queues for food and are seized by the panic of not getting enough to eat. They range all the way from a bottleggers' syndicate dealing in millions of dollars' worth of potatoes of meat to the farmer who sells a pound of butter over the back fence to a friend.

Black Market Popular

In the years just after the last war, on Sundays and holidays the roads leading out of German cities were filled with people in cars, on bicycles or on foot, bound for the country to pick up something for the family to eat, a couple of eggs, a few ounces of butter, a half pound of meat. In the cities an egg could cost 50 million marks. That was extreme, but today we are faced in America by the same fundamental conditions.

Even in the British Isles, a country with 40,000,000 of the most law-abiding citizens in the world, where more than half the food is imported and under government control, black markets still exist after more than three years of effort to suppress them. How much more difficult is the problem in a nation the size of ours. If it took 17,000 agents to fail at the enforcement of prohibition, it will take ten times that many to fail at suppressing black markets. Food is more vital than alcohol. More people, to put it mildly, are addicted to it.

The food crisis is political dynamite. In the logging country of the West, for instance, there has already been open revolt among the loggers because their consumption of meat was cut. Loggers do hard work and require heavy meat protein diet; but push the standard a little lower and you would have the same reaction from white-collar workers.

One solution offered for the farm problem is the "dream army" of 3,000,000 volunteer part-time workers suggested by Secretay Wickard. This army was apparently expected to spring from the soil fully armed with hoes, rakes and experience. Not one volunteer can replace a skilled dairyman, popultryman or stock feeder now in the army. The whole 3,000,000 would be useless without direction by experienced workers.

Yet this volunteer army can be of value if it is properly organized—not from Washington but on a regional basis, county by county, township by township. Any plan organized and centralized in Washington is doomed to failure, because of the farmers' intense resentment against the errors, extravagance and inefficiency of government bureaus.

No improvement of any kind can be expected until the administration is taken completely out of the hands of theorists, college professors and routine bureaucrats.

HONAN INHABITANTS TRUST NIPPON UNITS

Influential Religious Bodies Offer Cooperation; Rosy Future In Store for Province

Domei

CHENGCHOW, June 30.—Freed from the oppressive control of the Chungking army as a result of the successful operations of the Japanese Forces, the inhabitants of Honah Province are now facing a rosy future.

The various religious bodies in the province are now offering wholehearted cooperation to the Japanese Forces stationed there because they desire to help in bringing prosperity to the province.

In response to this desire on the part of the organizations responsible for the religious welfare of the inhabitants of Honan, the Japanese authorities on the spot are making arrangements for a meeting of representatives of these groups to be held shortly.

The purpose of the meeting is partly to provide an opportunity to the religious leaders in the province to acquaint themselves with the true attitude of Japan toward China, and partly to promote an increase in the faith felt by the residents of the province in Japan.

Religious statistics show that Buddhists represent 40 per cent of the total population of the province, Mohammedans 30 per cent, Christians 15 per cent, and others 15 per cent.

The Chungking regime was quick to see that the religious unity of the people of Honan could be turned into a force for the promotion of its own interests, and since the beginning of this year it had been trying to organize them for a general counter-offensive against the Japanese.

The commanders of the enemy's First War Zone applied threats and pressure in order to force the inhabitants of the province to take the positions on the first line of the war of resistance against Japan. However, this move was frustrated by the religious leaders of Honan.

For example, the Catholics organized a movement to resist above all the move made by the Chungking regime to force the inhabitants to serve its army, and for this the Catholics paid dearly. The churches maintained by them in various parts of the province were burned and destroyed, and the important Catholic leaders were either banished or massacred.

The first thing that the Japanese did after their advance into Honan was to right the wrongs committed by the Chungking regime. The people were exempted from exorbitant taxes and forced requisitioning of labor ended.

These measures had the speedy effect of bringing about a change in the attitude shown toward Japan by the inhabitants of the province who had been fooled by Chungking propaganda. And from day to day there was an increase in the confidence felt by the inhabitants in Japan.

Finally, the religious groups in the province, which are working for peace, came to the Japanese and asked for a share in the work of setting up a stable and prosperous structure in the province.

The great influence exerted by these religious bodies increases the prospect for the great things to be achieved by them in cooperation with the Japanese.

THE NAVY

By

TOYOO IWATA

(Translated by Kumiko Takagi)

PART XII: THE PURGATORY

—1—

It was in autumn in the 13th year of Showa (1938), just one year before Masato visited Hawaii. Near Koenji Station in the outskirts of the city of Tokyo, there was a lane on both sides of which cheap cafes and chop-houses were lined. Two young men were drinking at one of these cheap shops. On the sign-board of this shop was written "Yakitori" (chicken fried over charcoal). Both of them did not seem to be thirsty souls: they took more chickens than 'sake' or wine.

The lamp-light was dim because of greasy smoke. It was a sooted shop and its floor was so shaky that it trembled whenever the tram-cars passed by.

"Oh if you say such a thing, you would be doubting the essential quality of beauty."

The man who spoke, looked like a film director, wearing fancy trousers and coat with band, and a black shirt. But as a matter of fact he was a painter of some fame in the group of Nikakai.

"Do you think so! But I . . ."

Another young man, without making any objections, was grumbling something in a gloomy low tone and was gazing at the table through his glasses, occasionally brushing up his long hair which came down over his brows.

Although his voice sounded young, he looked older. He appeared to be 24 or 25 years old. The young man continued in a feeble tone.

"I don't say that the apple is not beautiful—I believe that the apple Cezanne painted is fine and it is a beauty, but still I am not in a mood to paint it."

"That's a contradictory statement. It is an evidence that you acknowledge beauty in 'still life' when you said the apple Cezanne painted is a 'beauty.' And yet you are not in the mood to paint it. What's the matter with you?"

Tsuruhara's tone was perspicuous.

"Well, I know, but. . ."

The youth's answer was very vague but he was not lying.

"Well, I hope you don't deny the beauty in 'still life'."

Tsuruhara became irritable, for he himself was a "still life" painter.

"Deny? No, no, I—I'm just not in a mood to paint, not only 'still life' but also human anatomy. And as for landscape I am not so interested in that. . ."

"Ha, ha, ha, ha!" Tsuruhara laughed loudly, "Then, you have nothing to paint any more."

The young man was downhearted and became silent.

"You are suffering from nervous breakdown, aren't you? Well, have one more drink any way."

The youth, thus urged, reluctantly took up his glass.

"Of course there is a crisis once in the life of every artist. His every past work seems to him so vacant and he hates to do anything. Even the sight and smell of pigments makes him sick. But it is after ten or fifteen years of work that he has this experience. I well know that you are talented for your age, but I don't think that you have done so much work that the critical moment should come to you so early in life. So I can't help but think that you are suffering from nervous breakdown. Yes, that's it—nervous prostration."

Tsuruhara thus reasoned.

"Do you think so?"

The youth replied in a low voice. To speak the truth, however, it did not matter to him whether it was the "critical moment" or nervous prostration, he was only anxious to escape from present unrest and uneasiness.

"It may be overwork for you to paint while being engaged in a job."

Tsurhara now changed his tone and consoled the youth. The youth was painting while working for a living at the same time. He had a job in an advertising department of a certain cosmetic shop on Ginza Street.

"It might be so." The youth answered in a dry voice.

"Shall we go out, now?" Tsuruhara stood up and paid the bill.

"Thank you very much for the treat."

"No, not at all. Well, then goodbye. Please call on me again. I think you had better take some rest. Please take care of your health."

Tsuruhara, thus saying, began to walk towards the station. He had his studio in the residential district on the south side of the station, while the youth lived in a cheap room of an apartment-house on the opposite side.

This youth was Takao Mutaguchi who had suddenly disappeared from the Kirishima Hot Springs. He walked alone and slumped along the dark back alley from where the milky-way could be seen clearly.

"What's the use of going home so early?"

Thus he grumbled to himself. Not only half-done paintings, canvas, and the smell of dirty shirts, socks and turpentine oil were waiting for him but also agony and uneasiness awaited him in his small stuffy room—ready to torment him like so many poisonous insects. He walked as slowly as he could along the lonely street.

"Oh, what am I to do?"

He had been suffering for more than half a year. Something he had to solve was haunting him day and night. It was partly because of the trials and tribulations of life in Tokyo, and because of this agony and uneasiness that he looked old for his age.

"I had come up to Tokyo with such a strong will, but now. . ."

Yes, indeed, when he was packing up at the Kirishima Hot-springs to come up to Tokyo, his mind and body were burning, so to speak, with the heat of his strong will. He came to Tokyo as if he were a fire-ball flying through the air. Yes, it was a fire ball of purgatory.

It was a fire of the strife of blood and death that spread in his body as soon as he failed in the medical examination of the Naval Paymaster's School. It had a violent rebellious flame of anger and grudge.

Not only did the single-minded boy of Satsuma curse the ill-fate which had fallen upon him, but also he could not help being angry with and thinking ill of the "Navy." Indeed he could not help being indignant and having a deep grudge against the navy that still barred him who had given up his dream of joining the active combat service of the navy and at least aspired for the Paymaster's branch of the service.

"Well, if the Navy hates me so. . ."

He thought that the navy hated him. He thought that he was thrusted "a letter of disinheritance" before him by the navy which he had loved so dearly since his childhood. Now the flame of anger began to burn with the strength and might of his love and enthusiasm for the navy. He tried to hate the navy now.

"I will try to be as far away from the Navy as possible."

Before he had been to Kirishima Hot-springs, he was already determined.

"I don't want to see all the faces of the 'Gunjingumi, Preparatory Class,' even Masato's—I hate to see his face as a cadet of the Naval College."

"I'll go to Tokyo and become a painter."

Takao had talent in painting and always got excellent marks in art during his school days. Although he had sometimes played with paint and brushes, he had never dreamed of making this his life-long occupation. He had never had profound love for painting. But now he had to love painting, even if he didn't want to. Somehow he had to attain his objective.

It was because he believed that painting was as unrelated to the navy as any occupation he could think of that made him take this choice.

"If I make an effort, I can succeed in this calling."

His only aim was to be a painter. It was his only desire to have the world call him a painter. He considered this a revenge. He could not think a step beyond this.

Even in such a state, however, he did not forget his parents. He could fully imagine how anxious they must be about him, and yet he did not believe that his parents would permit him to become a painter. Even if his father gave him permission, he would not agree with Takao about his going to Tokyo, leaving the Middle School. He felt almost crazy even to think of meeting his classmates.

"Please give me three years. I will become a respectable painter and then I'll go home." Thus he begged his parents in his mind. Indeed he had then believed that he would become a painter if he would make enough effort. Besides there was another thing which made his mental burden towards his parents lighter. It was sister Eda. He had told his secret to her alone. Takao could not help telling her with some excitement, but as for Eda, her face did not show any emotion and moreover she encouraged her brother and said:

"As you are a man after all, it will be very trying to be in Kagoshima. I really sympathize with you. I will do my very best to discharge our filial duties, so forget about everything that happened in Kagoshima and go at once to Tokyo."

Then Takao promised Eda that he would be sure to tell her if he were in a great distress.

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TOKYO, MONDAY, JULY 3, 1944

Norman Armour's Recall

On June 27, Norman Armour, United States Ambassador to Argentina, was recalled by the United States State Department for a hurried conference in Washington. On June 29, Secretary of State Cordell Hull was reported to be holding a series of conferences with the various diplomatic representatives of the Latin American countries.

These two events apparently dovetail in with the United States recognition of the Villaroel Government of Bolivia on June 23. They seem to indicate that the United States may well find it expedient to resume diplomatic relations with the Farrell Government of Argentina.

By all indications, such an action on the part of the United States would not be unnatural. In the countries south of the Rio Grande today, a wave of indignation and bitter resentment against the unprincipled political and economic policies of the Northern Colossus has been mounting with dangerous fury. Even Brazilians who were the first victims of the United States policy of intimidation are now giving open vent to their dissatisfaction. According to a recent report of the London Times, Dr. Hernae Travares, a leading educator of Brazil, has caustically denounced the United States for disrupting the economic activities of his country. Other South Americans, moreover bluntly charge the United States with despoiling their countries of their valuable raw materials and of neglecting to supply them with the oft-promised shipments of the vital necessities of life. They accuse the United States for the economic misery and inflation in their country; they also accuse the United States of seizing strategic military and naval bases in South America under the pretext of "hemispheric defense" but actually with the object of frightening the Latin Americans into abject submission.

These hardships and excruciating humiliations have hardened the Latin American peoples to the insistent pressure of the United States. How coldly determined they are to resist further economic and political encroachments of the Northern Colossus into Latin America was demonstrated recently by Argentina, Bolivia, Chile and Paraguay which concluded a quadrilateral trade agreement. Bolivia and Chile, moreover, had extended formal recognition to the Farrell Government in March while Paraguay and Uruguay had accorded it de facto recognition. Only a few days ago, the opposition of the Latin American countries toward the callous, malicious policy of the United States toward Argentina was voiced by the Foreign Minister of Ecuador who demanded, in truculent terms, that the United States recognize Argentina.

All these indications of fierce Latin American hostility have apparently forced the United States to realize that she must now back down and admit the failure of her policy of ruthless intimidation or face a righteously angry Latin America which would unite to resist her at every turn. The successive revolutionary outbreaks in the various countries of Latin America are dynamite-packed symptoms which the United States knows she can ill-afford to disregard. That is undoubtedly one of the most important motives behind the United States recognition of the Villaroel Government of Bolivia on June 23. That is probably the reason for the present bustle in Washington.

Whatever may be the decision which Hull may reach after his meetings with Armour and the various Latin American envoys, there can be no question that Argentina has today magnificently demonstrated the justice of her position. Through her courageous resistance against United States imperialism, Argentina has earned the undying gratitude of all her sister nations.

German Morale

The high fighting morale of the German fighting forces has been shown time and time again in the various theaters of war, but the latest manifestation of this morale is perhaps one of the most impressive. The last dispatch received by the Fuehrer's Headquarters from Cherbourg said that the enemy forces were surging in but that the German defenders "faithfully upholding the glorious traditions of the German Army, . . . will fight to the last."

Surrounded and hopelessly outnumbered, continuously pounded by tons of shells and bombs and the fate of the city clearly evident, the city would have been surrendered long before had the enemy forces and not the Germans been the defenders. With the situation as hopeless as it was, however, the German defenders elected to stay to the last and die fighting at their posts. This decision was only possible because the German defenders possessed a clear knowledge of what they were fighting for and the conviction that though their personal case was lost their fighting on would aid in some way the attainment of final victory.

The high German fighting morale can be directly traced to the Germans' knowledge of the justness of their cause and the necessity for them to fight with all their power. This knowledge, however, is not the sole source of German fighting morale. For a fighting force cannot maintain a high morale such as the German forces are maintaining without being backed by a equally high morale at home. In other words, the high morale of the German forces at Cherbourg was but a manifestation of the high morale of the entire German nation.

In this connection, it may be recalled that Zembei Horikiri, former Japanese Ambassador to Italy, at a recent press interview, stressed that the whole German people had absolute trust in Reichsfuehrer Adolf Hitler and that they had unshakable confidence in their ability to beat the enemy under the Fuehrer's guidance. Mr. Horikiri pointed to the solid political, economic and social structure in Germany and said that the Germans were so solidly united that the enemy's terror bombings had only served to increase their unity and determination to bear all and to fight till victory. He also drew attention to the fact that the food situation was perfect and that more munitions were being produced, including new weapons such as the dynamite meteors now wreaking havoc upon Britain.

Thus spiritually and materially, Germany today is even more powerful than she has been in the past. The heroic action of the defenders of Cherbourg shows the tremendous spiritual power of the Germans as the new dynamite meteors indicate their material power.

IN THE MOUNTAINS

By LI PO

(Translated by S. Obata)

Why do I live among the green mountains?
I laugh and answer not, my soul is serene:
It dwells in another heaven and earth belonging to no man.
The peach trees are in flower, and the water flows on. . . .

A Year Ago Today

July 3, 1943

Japanese submarines claimed a toll of 11 enemy vessels with an aggregate of 85,000 tons during June, it was announced by the Imperial Headquarters today.

* * *

The United States Treasury Department has announced that the Government expenditures to the end of the 1943-4 year will amount to $80,000,000.

* * *

Chungking authorities are said to be very much concerned about the visit of Mao Tse-tung, leader of the Chinese Communist Party, to Moscow, and have ordered their ambassador in Moscow to watch Mao's movement during the latter's stay in the Soviet Union.

* * *

The leaders of the "French Committee for National Liberation" announced the appointment of General Georges Catroux as the Commander-in-Chief of the French Rebel Forces in Africa.

BEHIND THE POLISH FACTIONAL FIGHT

Poles in U.S. Split Over Government's Foreign Policy

The Daily Mail correspondent in Washington, Ronald Collier, reported recently as follows:

The real reason for the visit of Polish Premier Mikolajkzik to Washington is believed to be the Administration's alarm at the Polish-American factional fight. This has been going on for more than a year and became a nation-wide storm when Olermanski visited Premier Stalin and returned to urge even more Polish-Soviet collaboration. Olermanski represents one of the three Polish-American groups—the Kosciusko League, a liberal group, advocating cooperation with the USSR. The other two are the Polish National Alliance and an organization known as the KNAPP. The latter is violently reactionary and probably the most powerful group. Its officials have assailed the Lend-Lease aid to Russia. The Polish National Alliance is anti-Soviet in a milder way and supports the present exiled Polish Government. Both anti-Soviet groups have denounced the British as "yielding" to Moscow on the question of Polish border and officials have assailed the Lend-Lease aid to Russia.

Meanwhile, the Observer correspondent in New York reported as follows:

The Polish-American Congress, which just ended in Buffalo, failed to yield to the clamors of extremists who sought to put Congress on record against the Roosevelt Administration. There was much talk but little action.

When Congress was convened, it was pretty plain that the extremists, chiefly the Knapp organization, were in charge. The Knappists tried for a long time to use the "hyphenate" vote as a lever thrust of the Administration into the Polish-Russian dispute. The extremists have ample newspaper support from the "Chicago Tribune" and Hearst's promises as well as the language press. Polish-Americans are one of the most vocal minorities in American life. They have become passionately involved in the Polish-Russian dispute, making Congress, press and platform sounding boards of Russophobia.

Ten Congressmen are of Polish background. This is the greeting they sent to the recent Polish-American meeting: "We, the undersigned members of the Congress of the United States will always be on the alert over the interests of the country of our fathers, Poland, of our valiant ally in the war against the common enemy." These ten are without equal in their concentrated industry in Congress as was shown by speech after speech in the House on the recent Polish Memorial Day.

But the worse agitator is Colonel Matuszewski, who recently published in two important Polish language newspapers a series of articles called "Your Sweat." These told the Polish-American war workers in effect that by contributing to American production they were contributing to the enslavement of their countrymen in Poland.

Perturbed Commentators

Such activity perturbed and even alarmed many commentators. Marquis Childs, in calling attention to anti-Russian propaganda, observes that "behind the constant insistence on how Polish-Americans and other hyphenates will vote are special interests with foreign axes to grind."

The Washington Post in several editorial denunciations of "hyphenated Americans" brought up the question of responsibility of the Polish Government in exile. The imputation was indignantly denied by Polish Ambassador Ciechanwski, who in a letter to the "Post" wrote, "The Polish Government and its representatives in the United States do not meddle in American internal affairs or politics, nor do they encourage or condone any such tendency on the part of the Polish citizens now enjoying American hospitality." This dementi was left unchallenged, though the Department of Justice, State Department and OWI are known to be full of questions about the Polish set-up.

For instance, Polish Information Center is a fount of much propaganda use by the extremists. It is a propaganda arm in the United States of the Polish Government Ministry of Information in London. An American citizen, it is understood, is employed by this center without being registered with the Department of Justice, though this is required by law. However, no action seems to have been taken by the United States Government. All that has been done is to inspire the newspapers to take up the cudgels against an agitation as inimical to harmony between the Polish Government and this government. Perhaps it was these tactics that were successful in damping down any anti-Rooseveltism in the Polish-American Congress.

The importance of Polish vote, however, can easily be exaggerated. It is given generally at between 4,000,000—6,000,000. The fact is less than 2,500,000 persons use their mother tongue and only 750,000 of these are foreign born. This is half of the lowest estimate put forward by Polish-American leaders. Moreover, it is doubtful whether the Poles born in this country all have the same reactions to Polish questions as have those, whose mother tongue is Polish. Even the latter are not all of one mind. Surely, even if the Polish-American Congress had come out with a vote against Roosevelt that would not necessarily have been the reflection on suffrages of the Polish-American. Polish-Americans support Roosevelt for other than foreign policy reasons. They see in him a champion of the common people and minority groups in domestic legislation. In former times they were "Polaks," that is to say, people of inferior kind, not worthy of a promise of American life. It would be strange, if on an issue, foreign to so many of them, they were to turn against the presidential champion of the underprivileged.

East Asia's Wartime Economy

Development of Continental Sources of Vital Materials Being Pushed as Contribution to War Effort

By DR. TOSHIO NARASAKI

In order to prosecute the present war successfully, it is absolutely necessary for all countries within the Common Prosperity Region to stand closely united and fight vigorously against America and Britain, and to this end the best possible use must be made of the resources of all kinds available within the Region. Let me now consider the question of turning the economic resources of the Common Prosperity Region into mighty fighting power chiefly from two angles—natural resources and from that of transportation facilities. I shall also study the economy of the Common Prosperity Region in two parts, viz., the continental and the Southern economy.

First, as to the resources of the South: The Southern Regions are rich in rubber, oil, tin and bauxite resources. Coal and iron ore are also produced in some districts. For instance, Malai and the Philippines have iron among their numerous important products. Hainan Island too has recently been yielding iron ore of very good quality. These mineral products, needless to say, are all of great value as war materials. And, in order to bring these materials to Japan speedily and in large quantities good transportation facilities should be provided.

To keep the Southern peoples adequately supplied with food and clothing is very important for the successful execution of the war, and I feel confident that the Japanese authorities on the spot are taking all necessary measures in this connection. In the South, we have French Indo-China, Thailand and Burma which are well-known rice-producing countries, and it is most desirable that the other Southern Regions too will attain self-sufficiency in the supply of agricultural products by increasing their production. So far as clothing is concerned, the Southern countries relied largely on Japan for the supply of cotton goods, and it is to be hoped that they will be able to achieve a sort of self-sufficiency by encouraging the planting of cotton and the establishment of spinning mills.

Different Characteristics

The continental economy has characteristics different from those of the Southern economy, though, of course, these peculiarities differ according to districts. Agricultural Chosen is gradually developing into industrial Chosen. There, many kinds of minerals and electric power are produced in abundance. In Manchoukuo, there are plentiful supplies of farm products, coal, iron and timber. Particular attention may be directed to such continental products, however, as iron in North China and in Mengchiang and coal in North China. These are of special value, in view of the difficulties attending more or less the transportation of materials from the South to Japan.

I had occasion to urge three kinds of economy, viz., the home economy, the Greater East Asia economy and the global economy. My contention is that, in regard to staple foodstuffs, there should be self-sufficiency at home, and with regard to the war materials, self-sufficiency should be more widely based on what is produced in all parts within Greater East Asia, while the materials for the advancement of welfare should be sought far and wide in the world. Under the war situation, we need not consider the question of materials for the advancement of welfare, which, though welcome if procurable, can be dispensed with. As a matter of fact, they are not easy to obtain because Japan's trade with all countries other than East Asia is practically suspended. Concerning the staple foodstuffs, rice is produced in large quantities in French Indo-China, in Thailand and in Burma, it is true, but from the point of view of economizing shipping bottoms, it is desirable that their demand should be supplied by home produce, if possible.

Regarding the war materials, however, it is somewhat difficult to meet the entire demand for them with home products exclusively. Fortunately, both the South and the continent abound in materials for war purposes and their exploitation is making favorable progress. Nor is there any doubt that the industrial development of the Southern Regions consequent on the exploitation of natural resources is going on smoothly and the plan for the self-supply of the necessaries of life is gradually bearing fruit.

Transportation Problem

What is most important for ensuring effective combined efforts between the continental and Southern countries for the successful execution of the war is to improve transportation facilities between these regions and Japan. As the means of conveyance, shipping is of paramount importance. The laying of a railway between Tokyo and the Southern Regions is, after all, a matter which belongs to the future. Nor is it possible to inaugurate at present a really efficient air transportation service, which, if it is to be really effective, will require hundreds or thousands of large airplanes. Such plans may be feasible enough after the war, but not now. In order to meet the immediate requirements, attention must be centered on the building of more ships.

There is no need for large steamers; medium and small ships will answer the purpose. For the conveyance of materials between the continent and Japan, a large number of motor-propelled sailing ships will do. There are, indeed, cases where Chinese junks accomplished a voyage to San Francisco and to London. With a favorable wind, they can sail at a fairly good speed. Even such small vessels, if used in large numbers, will be capable of good transportation work.

While on the subject of the continental economy, I referred to the resources of Chosen, Manchoukuo and North China. Due attention must also be directed to the development of the resources in Central China. In fact, there is increasing industrial activity there every year. As one fact bearing testimony to this may be mentioned the sums invested in or accommodated to all affiliated companies by the Central China Development Company totaling ¥338,915,000 at the end of 1943, or an increase of ¥94,600,000 over the figure at the corresponding date of the previous year. These funds went almost exclusively to help forward the exploitation and the increased production of iron, coal, copper, fluor-spar and other important underground resources, the construction of railways and the building of ships. In short, they were employed for the promotion of such enterprises as are directly concerned with the successful prosecution of the war.

Indian Lyrics

The time that my journey takes is long and the way of it long.

I came out on the chariot of the first gleam of light, and pursued my voyage through the wildernesses of worlds leaving my track on many a star and planet.

It is the most distant course that comes nearest to thyself, and that training is the most intricate which leads to the utter simplicity of a tune.

The traveller has to knock at every alien door to come to his own, and one has to wander through all the outer worlds to reach the innermost shrine at the end.

The question and the cry "Oh, where?" melt into tears of a thousand streams and deluge the world with the flood of the assurance "I am!"—(Gitanjali Fruit-Gathering by Rabindranath Tagore)

SONGS FROM PRISON

By MAHATMA GANDHI

Save me, O Lord,
Ah save me now:

Thou Fount of mercy,
A shipwrecked mariner I toss,
Storm battered in thy trackless universe:

High rage its waves around me,
Delusion and desire,
Passion and lust and hatred:

Soon, soon my soul shall sink beneath the burden of my sins,
To rise no more:

The tempests hurl their might upon me,
And anchor have I none,
For worldly cares have driven far my thought of thee:

O thou most merciful,
Behold my peril:
Here in mid-ocean,
Out-wearied, powerless,
I sink, I sink:

Stretch out thy hand, O Lord, and succor me,
O bring me safe to shore with thee.

BALI YOUTHS RISE IN DEFENSE OF ISLAND

Japanese Military Training Popular Among Young People

(Domei)

Ninety-five per cent of the islanders of Bali are devotees to Hinduism. For 300 years since their forefathers were driven away to this land from Java, struggles in defense of their religion have been staged without ceasing. Still fresh in memory is the story of Agon Pura, chieftain of southern Bali, who, even after the coming of oppressive Dutch rule, stuck to his faith and died a martyr. Enraged over an unconscionable demand from the Dutch, he rose with a force of only 300, including his family, in defiance of the odds. He exhorted his followers to dispose of themselves at the last moment and taught them how. The whole force, clad in white, fought to the last man. This happened in 1804

The scene shifts to March, 1943. As the war clouds lifted and peace and order were restored under Japanese control, a vigorous campaign for the autonomous defense of their homeland was developed by young men of southern Bali. The promoters, be it noted, were all offspring of the gallant heroes of 1804 "Awake to the love of our homeland!" "Young men, be the guardians of your fatherland!" These cries spread far and wide. The campaign bore fruit in the formation of a Young Men's Corps at Den Pasar, Badung prefecture, early in June. Anti-air raid look-out posts were set up at key points, where the members of the Corps are seen on vigil day and night in the blazing heat, to the gratitude of all concerned.

Receive Military Training

The event stirred other young folks throughout the land to the highest pitch of zeal to follow the example. The authorities were moved, and on the auspicious occasion of Meiji-Setsu on November 3, some 270 Young Men's Corps were organized. With the help of the Japanese military authorities, they are receiving Japanese style military training. Their precepts are:

1. We young men of Bali pledge loyalty to the Empire of Japan.
2. We will devote ourselves, body and soul, to the successful prosecution of the War of Greater East Asia and the consummation of the Common Prosperity Region.
3. We esteem labor service and pledge whole-hearted devotion in our respective fields of work.
4. Simplicity, fortitude and enterprise shall be our motto. We will discipline ourselves physically and spiritually.
5. We will observe fidelity and propriety.

With "Annihilate the Anglo-American foes!" as their watchword, they are going through strenuous training day and night.

Reared in the atmosphere of the tightly united neighborhood associations (which are formed in units of about ten households), the Bali youths are bound by solid, deep-rooted comradeship. Their attachment to their homeland and its culture defies the imagination. Freed from the long oppression by the Dutch, they burst out with ebullient patriotism, which found expression in their rush for the Agrarian Training House, the Police Training School, the Civil Service Training Institute, the Macassar Seamen's Training Institute, etc.

In response to earnest popular petitions, the authorities in February this year began giving military training at these institutions to leaders of the Young Men's Corps. The step has met with wide acclaim and will be kept up permanently.

Womenfolks are beginning to keep in step with their brothers. The Mothers' Society was the only women's body in the island before the war, made up of women of the leisured class. The Society was more like a social club than anything else. Voices rose from among the members of the branch at Den Pasar that this would not do in war time. The voices gained force, and the Den Pasar branch was voluntarily dissolved and a new organization was formed in July last year. The new body has since been carrying on good work, including a campaign for the extermination of illiteracy.

This trend for reform is spreading, and the Singaradja branch of the Mothers' Society is now in the process of dissolution. The day is not far distant, therefore, when a solid union of women throughout the island will emerge to do good work hand in hand with the Young Men's Corps.

Fruits of Wisdom

Who cannot make one in the circle of harmless merriment may be suspected of pride, hypocrisy, or formality.—Lavater.

* * *

An orator without judgment is a horse without a bridle.—Theophrastus.

ITALY UNDER FASCIST REPUBLICAN BANNER

Principini Reviews Progress Of New Government

Editor's Note: How is Italy's reconstruction work proceeding under Signor Mussolini, who resumed the reins of government after a temporary eclipse? The answer to this question is furnished by an interview which Hideo Baba, of the Mainichi, had with Colonel Omero Principini, the Italian Charge d'Affaires in Tokyo. The following is the gist of the interview which was published in a recent issue of the Jikyoku Joho:—

Baba: We have every sympathy with the Italian people who are justly indignant over the treacherous act of Pietro Badoglio and his followers, who have left an indelible blot on the honor of Italy. It is, however, gratifying to note that under the Government of the Italian Republic, which was subsequently formed by Benito Mussolini, the Fascist Italians are, in close unity, making strenuous efforts toward retrieving the lost honor. I wish to be informed of the prevailing conditions in Italy.

Principini: The betrayal of Badoglio and his confederates which enabled the enemy to invade part of our fatherland filled us with intense indignation. We hardly need to say that we feel greatly humiliated to think that those whom we once treated as our fellow countrymen showed themselves so perfidious as to trample on international good faith and betray our fatherland without compunction. The hatred which the young Italians harbor toward these traitors is, indeed, such that they consider it loathsome even to mention the name of Badoglio and his followers.

Baba: Referring to young Italians, what is the present state of their patriotic movement?

Principini: The Italian Youth movement, which has been going on for twenty years since the establishment of the Fascist regime, is playing a big role. Large numbers of Italians who once received training in this movement have grown up, sound in mind and in body, and, imbued with fervid patriotism, are now devoting themselves to the work of developing the destiny of regenerated Italy.

Baba: How many Italians owe their allegiance to the new Republican Government under Signor Mussolini's leadership?

Renew Allegiance

Principini: The new Government has been in existence for only nine months and no accurate statistical figures are yet available. Although it is difficult, in such circumstances, to give any definite figure, it is believed that those who followed Badoglio into the enemy camp were only a small percentage of the total population of Italy. There is no denying the fact that the political change of last summer caused a temporary perturbation in the public mind and, misled by the enemy's propaganda, a large number followed the lead of the traitorous regime. With the lapse of time, however, these gullible Italians who had entertained false hopes were ruthlessly disappointed by America and Britain, and, realizing that they were laying themselves open to the charge of betraying their allies as well as their fatherland, made a volte face and moved northward, mingling with the refugees from South Italy, and renewed their allegiance to the Republican Government. That there is a continuous flow even now of people who, severing their connections with the traitorous regime, are coming into the fold of the new Government seems to prophesy the fate of the Badoglio regime.

Baba: How much work has the new Republican Government accomplished since its establishment?

Principini: From military point of view, the Hitler-Mussolini interview which took place in the latter part of April signifies the completion of the rearmament work by the new Government. As the work was rushed through within a year's time the results achieved may not be quite up to par, but both in quantity and in quality, the services, land, sea and air, have been raised to a certain level of efficiency. The National Army, which is composed of the troops raised by conscription and volunteers, is more efficiently organized than that which existed before the political change. It contains old units to a certain extent. These old units were disarmed by the Germans at the time of Badoglio's betrayal, but were later allowed to join the National Army. After receiving training, they have been equipped anew. The majority of the National Army forces are posted at key points in Italy, where they are cooperating closely with the German troops. Besides the National Army, Italy has the Republican Militia (a kind of the Gendarmerie) which is charged with the duty of preserving domestic peace and order besides doing secret police service. As to the air force, it has remained steadfast in support of the Fascist regime, as was pointed out by Benito Mussolini at the time of the formation of the new Government, and has rallied round the new Government practically in its entirety. On the Cassino front, this air force, fighting in close unison with the Luftwaffe, often scored brilliant successes by shooting down many American planes. The naval strength suffered most. Though insignificant by the side of its former strength, the naval force reorganized by the new Government is reported to have taken part in the battle of Nettuno and sank enemy destroyers. While on the subject of the navy, I may add that there are many among the crews of the Italian warships which passed into the enemy's hands who are really ashamed of their treacherous conduct. It is reported that some fifty young Italian naval officers committed suicide.

Baba: How about the present situation, viewed from the political standpoint?

Remains the Life-Blood

Principini: As you know, the new Government is called the Government of the Italian Social Republic. The appellation may give the impression that the new Government is something entirely different from the old Fascist regime, but the truth is that the lofty spirit of Fascism remains the life-blood of the new form of government. Italy under the former Fascist regime was generally considered to exist for the Fascists only, but reconstructed Italy acts on the principle that not only the Fascists but all people who vow allegiance to it should share equally in the glory of Italy. It was for this reason that the adjective Social was added to the name of the Republic. The same idea rules in the organization of the National Army. The leaders of the National Army before the political cataclysm were drawn exclusively from the privileged class but this phase of the equality has been wiped out in the new National Army, in which the way is open to the talented, irrespective of birth. The National Army is meant to be an Army for the whole nation as the name suggests.

Baba: How does regenerated Italy view America and Britain who, while paying lip-service to humanitarianism, are capable of the vilest inhuman deeds?

Principini: It is undeniable that before the political cataclysm there were Italian people who, over-estimating the value of Anglo-Americans, assumed an attitude of indifference toward the war which the entire nation ought to fight with the single-minded devotion. Such people were particularly numerous among the old folks. How seriously their existence harmed Italy is clear from Badoglio's traitorous deeds. Subsequent to this infamous conduct on the part of Badoglio and his fellow conspirators, America and Britain not only butchered many Italian non-combatants but bombed and destroyed many historical institutions and monuments in Rome and elsewhere. Such savage acts have enraged the Italian people beyond measure, and have created strong hostile feeling even among those who had been playing the role of hesitant onlookers. The loss of precious historical relics cannot but be deplored deeply, but the enemy's vandalism has, on the other hand, had the good effect of awakening the bigoted, thereby bringing the Italian people into closer unity.

Baba: What about cooperation with Germany?

Will Soon Be Active

Principini: Seeing that not many months have passed since the establishment of the new Government, cooperation with the Germans on fronts other than in Italy may not yet be quite sufficient, but it is to be expected that following the strengthening of the fighting power in North Italy, the Italian forces will be active on all fronts.

Baba: Lastly, I wish to hear your opinion on the War of Greater East Asia.

Principini: The developments in the War of Greater East Asia are bound to have far-reaching effects on Germany and Italy who are allied closely to Japan under the Tripartite Pact. We have no doubt that final victory will rest with the Axis forces, in the West as well as in the East, who are fighting for the righteous cause of liberating the oppressed peoples and establishing moral principles in the world. America and Britain, whose sole purpose is to dominate the world, are striving to defeat our cause by dint of their mighty material resources, and although, in such circumstances, victory over our antagonists may not be won so easily, we are convinced that Japan, of whose mighty strength we are well aware, will eventually crush them in East Asia and attain her goal of establishing the Common Prosperity Region of Greater East Asia. Japan's victory in Greater East Asia means victory for Germany and Italy in Europe, for the destinies of these three Powers are inseparable, though they are fighting in different theaters of war. It is for this reason that we are giving Japan whatever cooperation we can. We know that by so doing, we are serving the best interests of our fatherland at the same time.